

# KEY BISCAYNE POLICE OFFICERS & FIREFIGHTERS RETIREMENT PLAN

Village Council Chambers  
560 Crandon Blvd., Key Biscayne, FL 33149  
REGULAR MEETING OF JANUARY 22, 2009

**1. Call to Order** – Chairman Michael Haring called the meeting of the Key Biscayne Police Officers & Firefighters Retirement Plan to order at 5:37 P.M.

## **Roll Call**

### Present

Servando M. Parapar, Secretary  
Michael Haring, Chairman  
Dr. Robert L. Maggs  
Sherry L. Reed

### Absent

Jose L. Monteagudo

**OTHERS PRESENT:** Blake Myton from SunTrust, Burgess Chambers from Burgess Chambers & Associates, Alison S. Bieler, Esq., from Cypen & Cypen, Attorneys for the Plan and Joan L. Wall Administrator.

**2. Additions/Deletions to Agenda.** Presentations by Burgess Chambers and Blake Myton were added to the agenda under New Business.

**3. Approval of Minutes for November 17<sup>th</sup> and December 10<sup>th</sup>, 2008.** Chairman Haring presented the minutes from the past two meetings for approval. Dr. Maggs moved to approve. Servando Parapar seconded the motion. The motion carried unanimously.

**4. Approval of Invoices.** Chairman Haring presented the invoices listed on the agenda for approval and payment with the exception of Professional Indemnity as the quote for the premium was not received in time for today's meeting. Dr. Maggs moved to approve payment of the invoices. Servando Parapar seconded the motion, the motion carried unanimously, authorizing payment of the following:

Cypen & Cypen, #4929, 12/1/08, services outside of monthly retainer	\$ 5,175.00
Burgess Chambers & Associates, Inc., 4 <sup>th</sup> Qtr 2008	\$ 3,750.00
SunTrust Bank, custody & investment fee, qtr ending 9/30/08	\$15,565.07
Joan L. Wall, Admin., 11/12/08 – 1/14/09, 35 hrs, plus expenses	\$ 1,684.73
Gabriel Roeder Smith & Co., #107069, 12/31/08	\$ 7,134.00

**5. Approval of Refund of Pension Contributions.** Chairman Haring presented the refund of pension contributions as listed on the agenda. Dr. Maggs moved to approve payment. Servando Parapar seconded the motion. The motion carried unanimously, authorizing payment of the following:

P/O Joseph McCormack, H/D 11/26/07, T/D 11/24/08, Contributions \$5,655.72

Less 20% WH Taxes of \$1,131.14, Net Check of

\$ 4,524.58

**6. UNFINISHED BUSINESS** – The ordinance covering the new benefit improvements was scheduled to be heard by council in February, 2009. Attorney Bieler asked to be advised when this was passed on second reading.

### NEW BUSINESS

**7. a) Schools/Conferences;**

- FPPTA Trustees' School; February 1<sup>st</sup> through 4<sup>th</sup>, 2009 at the Renaissance World Golf Village in St. Augustine, Fl.
- Division of Retirement 30<sup>th</sup> Annual Police Officers' & Firefighters' Trustees' School, May 18<sup>th</sup> through 20<sup>th</sup>, 2009 in Tallahassee, Fl.

**7. b) Review** – Information requested by Trustee Robert Maggs and provided by Frank Wan of Burgess Chambers & Associates and Blake Myton of SunTrust. The trustees were pleased to receive this information so quickly.

**7. c) Authorize Chairman & Secretary to sign required forms for filing of the IRS Determination Letter.** Dr. Maggs moved to authorize the signatures required. Servando Parapar seconded the motion. The motion carried unanimously.

### PRESENTATIONS

- **Burgess Chambers & Associates**

- **12/31/08 Performance Report.** While the market experienced a most difficult quarter as the broad stock market declined 23% and government bonds gained 5%, Mr. Chambers stated he was pleased with SunTrust's returns as compared with those of other managers. Asset allocation was 38.95% domestic fixed, 3.4% cash, 50.45% domestic equity, 6% international equities and 1.19% REIT for a total market value of \$9,501,386. The bonds really shined this quarter, a well calculated sector call on the part of SunTrust. CALPERS was in severe trouble due to their investments in hedge funds and private equity placements in real estate. Our fund does not have any of these investments. Also FRS has problems with their fund that we don't have. There is a bill pending to close FRS as a defined benefit plan in the future.

- **Share Plan Platform Search.** SunTrust and ICMA both offer investment platforms for Share Plans. Investment options include internal and external managed strategies that include domestic and foreign equities, domestic fixed income, balance funds, stable value and money market. The cost increases at the participant level when external options are chosen. ICM charges an annual administration fee of 0.55% for all options and a service fee for all external mutual fund options. Both SunTrust and IMA charge an ongoing 12-b(1) fee up to 0.35% per mutual fund. BCA is recommending SunTrust as this platform is superior in the areas of performance, cost and data access with a due diligence effort that offers high quality and consistent performers in all strategy categories. BCA will provide support in educating Plan participants. Attorney Bieler suggested not offering international equity due to the statutory limitations placed on the total fund. Sherry Reed stated her concern that due diligence is the only responsibility of the trustees. Dr. Maggs moved to accept Burgess Chambers Associates recommendation of SunTrust, which includes education to participants and to ask Mr. Chambers to come back at the next meeting with his allocation recommendations. Sherry Reed seconded the motion. The motion carried unanimously. Burgess Chambers stated he would present a model at the March meeting.
- **SunTrust Banks, Inc.** Mr. Myton reviewed the name change, stating all the people and processes are the same. SunTrust also offers lifestyle funds. Further reviewed was an introduction to SunTrust, relationship management team, risk management/services and benefits, investment process and sample reporting and service guidelines and pricing.

**8. Trustees' Concerns.** Sherry Reed requested the letter from Gabriel Roeder Smith dated January 14, 2009 placed on the March agenda for discussion.

As soon as the quote for the fiduciary liability premium is available the trustees would like to have a warrant circulated to ensure payment of this prior to the March meeting, which would be past the expiration date of the policy.

## 9. REPORTS

- **Attorney** – None at this time
- **Administrator** – Accounting was complete, Data for actuary was still in progress
- **Other** – Also included in the agenda packages were the following:
  - SunTrust's 1/6/09 letter regarding future pension payments and online reporting
  - SunTrust's communication regarding the merging of Trusco with SunTrust
  - Commission Recapture reporting
  - December 2008 Securities Monitoring Report

**10. Input from Active/Retired Members – None.**

**11. Next Meeting Date/Adjournment.** Chairman Haring announced the next regular meeting was scheduled for 5:30 P.M. on Thursday, March 26, 2009. There being no further business before the board, Dr. Maggs moved to adjourn at 6:50 P.M. Servando Parapar seconded the motion. The motion carried unanimously.

Respectfully submitted,

Servando Parapar, Secretary